DOWA Metals & Mining America, Inc.
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DMMA Responsible Platinum Group Metals Procurement Policy

In 1884, DOWA Metals and Mining Co., Ltd. (**DMM**), a **DOWA** Holdings Co. Ltd. Company (**DOWA Group**), began mining Kuroko (Black Ore) at the Kosaka Mine in Akita, Japan. In the 1980s, through mining investments and joint ventures, their business evolved from a Nonferrous Metals Mining Centered Structure to a unique Nonferrous Metals Smelting and Recycling Complex, centered on **Kosaka Smelting and Refining Co. Ltd**., and a worldwide material collection network coordinated with the Environmental Management & Recycling Business (**DOWA ECO-SYSTEMS Co. Ltd.**) and focused on:

- Precious Metals (**PM**) and Copper Smelting and Refining
- Platinum Group Metals (**PGM**) Smelting
- Zinc Smelting and Refining
- Resource Development and Raw Material Procurement – Tizapa and Los Gatos Mines in Mexico

Through its resource development and raw material procurement, **DMM** develops mineral resources to secure stable, long-term sources for the **Akita and Kosaka Smelters**.

In the 1990s**, DMM**, a top-class nonferrous metals smelter, and Tanaka Kikinzoku Kogyo K.K., (**Tanaka**) a world-famous **PGM** refiner, established Nippon PGM Co. Ltd. Japan (**NPGM),** combining over 100 years each of technical experience and expertise, created a unique and environmentally sound **PGM** recycling process known as the *ROSE Process*.

Today, utilizing 140 years of Mining/Smelting Expertise, Unique Technology Development, Modernization and Expansion into New Fields, **DOWA Group/Network Companies** (**DG/NC**) recover more than 20 types of metals, and continues to support Japan's economic growth.

DMM & DOWA Group/Network Locations & Supply Chain

DMM, headquartered in Tokyo, Japan, has offices in Canada and Mexico (mining) and the Czech Republic, Germany, Spain, Thailand (zinc processing) and the United States (**recycling**).

Recycled Materials

- **DMM** purchases **PGMs**, primarily sourced from spent catalytic converters (**CC**)/**CC** materials, domestically and from Asia, Europe and the Middle East.
- **DMM** America Inc. (**DMMA**), located in New Jersey, purchases **PGMs** primarily sourced from spent **CC**/**CC** materials in Central, North and South America. These materials are

delivered to **NPGM** USA Inc. (**NPGM USA**) in Pennsylvania for initial processing and assay sampling,

Material Smelting & Refining

- All **PM** materials are sent to Japan to be processed at the world's largest pyrometallurgical plant, located in Kosaka, Akita Prefecture, where final assays are determined.
- Mined/purchased Zinc materials are secured as stable long-term sources for the **Akita and Kosaka Smelters**.
- **DMM** sells **PM** exclusively to companies in Japan.

Since 2019, **DMMA**, located in Burlington, NJ, has offered premium refining services for **CCs** on an assay basis. **DMMA** engages in business transactions with a client, counterparty, customer and or supplier **(CCS**) involved in the recycling of a variety of non-ferrous **PM**. While **DMMA** purchases **CCs** for de-canning, most of its business involves the purchase of materials previously de-canned by its **CCS's**. The materials are sold upwards to their parent company **DMM**. **DMMA** partners with **NPGM USA** in Pottstown, PA, to provide trustworthy sampling assays of the de-canned materials, and **NPGM** in Japan for final sampling assay.

The mining/purchase/sale of metals/**PM**, as well as the purchase of recycled materials containing **PGM**, specifically palladium, platinum, and rhodium (also referred to as "covered goods"), are subject to domestic/international laws, regulations/policies/procedures and/or standards, primary related to countering money laundering (**ML**), terrorist financing (**TF**), and human rights (**HR**) abuses (**HRA**) (child labor, forced labor, human trafficking, etc.).

Based on federal regulation (31 CFR Part 1027) and Financial Crimes Enforcement Network **(FinCEN)** guidance, **DMMA** is considered a precious metals dealer **(PMD**) and therefore required to develop, implement, monitor, and update as necessary, an effective Bank Secrecy Act (**BSA**) Anti-Money Laundering and Countering the Financing of Terrorism **(AML/CFT)** Program.

NPGM USA is not considered a **PMD**, and therefore not required to develop or implement a written **AML/CFT Program.** However, since **NPGM USA** shares a pipeline with **DMMA** upstream to **DG/NC**, and interacts directly with **DMMA CCS**/**CCS** representatives during delivery of materials to **NPGM USA**, it has developed and implemented a Supply Chain Due Diligence (**SCDD**) Compliance Program (**CP**) that supports **DMMA's** Know Your **CCS** (**KYC**) efforts and **DG/NC's** high standards of **SCDD**.

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Laws/Regulations, Guidance & International Standards

DMMA is dedicated to **AML/CFT/SCDD** efforts and supporting international human rights guidelines promulgated by the International Labor Organization and related United Nations (**UN**) organizations. **DMMA** is engaged in responsible sourcing and **SCDD**, and works in concert with **DG/NC** to ensure compliance with applicable laws, regulations, policies, procedures, and/or recognized standards in the countries/states, etc., in which they operate and conduct business in, including:

- U.S. - Federal regulation (31 CFR Part 1027) and **FinCEN** guidance for **PMDs** to develop, implement, monitor, and update as necessary, an effective **BSA AML/CFT.**
- Financial Action Task Force (**FATF) -** International standards that aim to prevent **ML/TF** activities, and the harm they cause to society
- Europe/U.S. - European Union (**EU**) Conflict Minerals Legislation and Section 1502 of U.S. Dodd Frank Act, requires responsible minerals sourcing and companies to check their supply chains for tin, tungsten, tantalum, and gold (**3TG**), if they might originate in Congo or its neighbors and/or Conflict Affected and High-Risk Areas (**CAHRA**).
- Europe – United Kingdom (**UK**) Modern Slavery Act.
- Canada – Fighting Against Forced Labor and Child Labor in Supply Chains Act.
- U.S. - Section 307 of the Tariff Act of 1930 – Prevent the illegal import into the U.S. "goods, wares, articles, and merchandise mined, produced, or manufactured wholly or in part" by forced labor and the Uyghur Forced Labor Prevention Act – Goods procured in the Xinjiang Uyghur Autonomous Region of China (19 USC 1307).
- U.S. – Trafficking Victims Protection Act.
- Organization for Economic Cooperation and Development (**OECD**) - Group of 35 developed countries, working in collaboration with industry, civil society and other governments. The **OECD** Five Step Framework **(5SF**) is based on **OECD** Due Diligence Guidance for Responsible Supply Chain of Minerals from **CAHRA**s and High-Risk Areas (2016) and is aligned with **UN** Guiding Principles on Business and Human Rights.
- London Platinum and Palladium Market (**LPPM)** Responsible Sourcing Program **(RSP)** and Responsible **PGM** Guidance V5 (**RPG5**) for Mined and Recycled Materials.
- DOWA Environmental, Social and Corporate Governance (**ESG**).

DMMA has developed and implemented a written **AML/CFT/SCDD CP**, which includes the guidance, rules, and information included in its Compliance Policies and Procedures Manual ("Compliance Manual"). The Manual is reasonably designed to prevent **DMMA** from being utilized to facilitate **ML/TF** through the purchase and sale of covered goods**. DMMA** deeply values integrity, professionalism, and accountability, including strict, compliance with its **AML/CFT/SCDD CP**, which all relevant employees are required to follow.

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DMMA's CP incorporates the four pillars of an effective **AML/CFT CP**:

- Policies, Procedures, and Internal Controls to Detect and Prevent **ML**/**TF** Activities, and Violations of U.S. Economic Sanctions Programs;
- The Designation of an **AML/CFT** Compliance Officer;
- Ongoing Employee Training Program; and
- Independent Testing & Auditing of the Company's **AML/CFT** Program.

DMMA's CP is also designed to combat systemic widespread **HRA** and environmental damage, associated with the extraction, transport or trade of metal/metal materials, and direct or indirect support to illegitimate non-state armed groups:

- Who illegally control mine sites, or otherwise control, transportation routes, points where minerals are traded, and upstream actors in the supply chain;
- and/or illegally tax or extort money or minerals at points of access to mine sites, along transportation routes or at points where minerals are traded;
- and/or illegally tax or extort intermediaries, export companies or international trade;
- and/or corruption or contributing to conflict; and other criminal activities such as theft, etc., through the purchase and sale of covered goods.

DMM's CP incorporates **OECD's 5SF** for responsible sourcing**,** and provisions for complying with the applicable requirements of **EU** Conflict Minerals Legislation, Section 1502 of U.S. Dodd Frank Act and standards of **UN** Guiding Principles on Business and Human Rights**,** adopted by **LPPM:**

- Establish Strong Management Systems.
- Identify, Assess and Prioritize Risks.
- Manage Risks.
- Audit Control Points.
- Communicate and Report on Due Diligence.

Additionally, the program considers **ESG** Factors, as applicable:

- Environmental Management – Including air, water, and land pollution, other environmental emergencies, and incident management plans.
- Water Management - Especially in areas of high-water scarcity and stress.
- Prohibition of unauthorized procurement from World Heritage sites or protected areas.
- Safe storage, handling, and disposal of hazardous chemicals.
- Management of Labor Issues – Including remuneration, working hours, collective bargaining, discrimination, diversity, conflict, and protection of workers.

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- Community Engagement and Management Program – Including land acquisition and community resettlement, cultural heritage and indigenous peoples, closure plans and the protection of vulnerable populations.
- Managing the health and ethical conduct of the business and supporting the implementation of related initiatives, such as Extractive Industries Transparency Initiative (**EITI)**.

Know Your CCS & CCS Due Diligence

DMMA has established an updated **CCS KYC** Program. **DMMA** is aware of the significant increase in **CC** thefts (2019-2022) on a global basis, driven by significant market prices. While reported statistics for 2023 and 2024 indicate a significant decrease in **CC** thefts, **DMMA's** policy is to conduct business only with individuals and companies that provide sufficient documentation to prove the legitimacy of their business through our **CCS** identification procedures, through which **DMMA** can form a reasonable belief that it knows the true identity of each **CCS** and includes procedures that specify the identifying information that will be obtained from each **CCS**. It also includes reasonable/practical risk-based procedures such as background checks, conducted on all applicants, and the use of other available databases for verifying the identity of each **CCS. DMMA** remains vigilant and committed to implementing robust **CDD/EDD/SCDD** practices, that include site visits and transaction monitoring.

DMMA's Board of Directors (the Board) is ultimately responsible for the effectiveness and oversight of **DMMA's AML/CFT/SCDD CP** and ensures that a sufficient level of human and technology resources is provided to ensure compliance with all laws, rules and regulations. The Board elects a Chief Compliance Officer (**CCO**) (**App I**) who develops, incorporates and implements, policies, procedures, and internal controls based upon assessment of the **AML/CFT/SCDD** risks associated with the company's line(s) of business that include provisions for complying with the applicable requirements of the **BSA** (31 U.S.C. 5311 *et seq.*), and 31 CFR Part 1027.

The Board and senior management strive to create a culture of compliance to ensure adherence with the **BSA**. The Board has established an Executive Compliance Committee (**ECC**) (consisting of the **CCO** and senior management, to regularly evaluate **DMMA's AML/CFT/SCDD CP** and Procedures**.** The **ECC** meets monthly, and on a quarterly basis with the Board**,** to provide updates and obtain feedback on **DMMA's CP**. Additionally, it meets on a quarterly basis with **NPGM USA's SCDD** Compliance Committee to support **DMM** and **DG/NC** in maintaining high standards of **SCDD.** The program is approved by senior management, subject to ongoing review, and updated every 12-18 months (or as necessary/response to updated risk assessment/audit results).

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DMMA aims to create an open and transparent organization by establishing and operating a framework that brings discipline to our business activities with the highest ethical standards. We are committed to acting honestly and responsibly, with integrity above all and speed and determination to overcome challenges. It also engages in constructive dialogues to meet the need of its employees, **CCSs** and other stakeholders. **DMMA** provides multiple options for raising concerns or questions directly (employees with co-workers, supervisor, senior management or the **CCO**) or anonymously through the filing of a Report of Suspicious Activity, or through an independent third party that administers the Ethics Hotline/Anonymous Tip Line (**866 494-3161 and entering DMMA Pin # 4200)** on behalf of the Company.

Additionally, **DMMA** publishes its Whistleblowing Policy on its website (DOWA Metals & Mining America | Catalytic Converter Recycling), so that all internal and external stakeholder are aware of the policy and are able to contact **DMM** to make inquiries or report on matters related to ethics, integrity, etc.